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State of Idaho  
Legislative Services Office

Management Report

A communication to the Joint Finance-Appropriations Committee

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DIVISION OF HUMAN RESOURCES

FY 2007, 2008, and 2009

Report IC19409  
Date Issued: June 11, 2010

*Serving Idaho's Citizen Legislature*



Don H. Berg, Manager

Idaho Legislative Services Office  
Legislative Audits Division

## DIVISION OF HUMAN RESOURCES

### SUMMARY

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#### PURPOSE OF MANAGEMENT REVIEW

We conducted a management review of the Division of Human Resources covering the fiscal years ended June 30, 2007, 2008, and 2009. Our review covered general administrative procedures and accounting controls to determine that activities are properly recorded and reported.

The intent of this review was not to express an opinion, but to provide general assurance on internal controls and to raise the awareness of management and others of any conditions and control weaknesses that may exist and offer recommendations for improvement.

#### CONCLUSION

We did not identify any significant conditions or weaknesses in the general administrative and accounting controls of the Division.

#### FINDINGS AND RECOMMENDATIONS

There are no findings and recommendations in this report or in the prior report.

#### AGENCY RESPONSE

The Division has reviewed the report and is in general agreement with its contents.

#### FINANCIAL INFORMATION

The following financial data is for informational purposes only.

#### DIVISION OF HUMAN RESOURCES – FISCAL YEAR 2009

Fund	Title	Beginning Cash/ Appropriation	Receipts/ Transfers In	Disbursements/ Transfers Out	Ending Cash/ Appropriation
0401	Seminars and Publications*	\$44,403	\$0	\$44,403	\$0
0475	Professional Services**	<u>2,430,043</u>	<u>2,113,298</u>	<u>1,553,780</u>	<u>2,989,561</u>
	Total	<u>\$2,474,446</u>	<u>\$2,113,298</u>	<u>\$1,598,183</u>	<u>\$2,989,561</u>

\*Fund 0401 transferred cash balance to Division of Professional Technical Education. This amount represents training receipts received in FY 08 and balance from prior years.

\*\*In FY 10, the Division reduced the cash balance of Fund 0475 by transferring \$1,680,000 to the General Fund, as directed by House Bill No. 346.

This report is intended solely for the information and use of the State of Idaho and the Division of Human Resources and is not intended to be used by anyone other than these specified parties.

We appreciate the cooperation and assistance given to us by the acting administrator, Wayne Hammond, and his staff.

**ASSIGNED STAFF**

Lori Hendon, CPA, Managing Auditor

Jolene Crumley, In-Charge Auditor

Maresa Blessinger, Staff Auditor

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## AGENCY RESPONSE

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State of Idaho

## **DIVISION OF HUMAN RESOURCES**

Executive Office of the Governor

C.L. "BUTCH" OTTER  
Governor  
WAYNE HAMMON  
Acting Administrator

Idaho Personnel Commission  
Mike Brassey, Chair  
Pete Black  
John Cowden  
Clarisse Maxwell  
Evan Frasure

April 28, 2010

Mr. Don H. Berg, CGFM  
Manager, Legislative Audits Division  
Legislative Services Office  
Statehouse Mail  
Boise, Idaho

SUBJECT: Audit of FY 2007, 2008, and 2009

Dear Mr. Berg:

I would like to thank your staff, Managing Auditor Lori Hendon, In-Charge Auditor Jolene Crumley, and Staff Auditor Maresa Blessinger for their professionalism during the "internal control" audit work for the Division of Human Resources. The Division of Human Resources concurs with the Management Report on Internal Control.

As always it is a pleasure to work with your staff and yourself. We appreciate your assistance and professionalism.

Sincerely,

A handwritten signature in black ink, appearing to read "Wayne L. Hammon".

Wayne L. Hammon, Acting Administrator  
Executive Office of the Governor  
Division of Human Resources

# APPENDIX

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## **HISTORY**

Idaho's first merit system, the Merit System Council, was established in 1939. The Council initially had jurisdiction over the Departments of Health, Fish and Game, and Employment.

The Idaho Personnel Commission was established in 1965. The Commission became a part of the Idaho Department of Administration on July 1, 1974. The Division of Human Resources was created to improve accountability and efficiency of the State personnel system on July 1, 1999. The administrator reports to the Governor.

In April 2007, the Governor issued an executive order that directed the Division to delegate some human resource functions. In accordance with this order the Division transitioned various functions to State agencies. Currently, the Division contracts with the Department of Labor to recruit and screen applicants for classified positions, establish and maintain hiring registers for classified positions, conduct annual salary and benefit surveys, and maintain an automated system for recruiting and tracking applicants for classified positions in State government. The Division also contracts with the Division of Professional-Technical Education to train certain State employees on human resource related topics applicable to all State agencies including supervision, employee evaluations, dispute resolution, and State management.

In addition, the Division delegated human resource functions to State agencies with qualified staff. Those human resource functions include hiring, salary administration, classification of positions, and management of personnel records.

## **STATUTORY AUTHORITY**

The statutory authority for the Division of Human Resources is found in Idaho Code, Title 67, Chapter 53. The purpose of the Division, as stated in Idaho Code, Section 67-5301, is:

To administer a personnel system, including the provision of personal and professional training, for classified Idaho employees. The purpose of said personnel system is to provide a means whereby classified employees of the State of Idaho shall be examined, selected, retained and promoted on the basis of merit and their performance of duties, thus effecting economy and efficiency in the administration of state government.

The Governor appoints the administrator of the Division. As of fiscal year 2010, the Division is authorized to have 15 full-time equivalent positions down from 18 positions in fiscal year 2009.

## **FUNDING**

State agencies with classified personnel pay the costs of operating the Division in accordance with Idaho Code. A fee is charged to each agency based on the gross payroll for classified employees multiplied by a percentage set by the Division. The percentage is based on the projected expenses for the Division. As of fiscal year 2010, the Division collected .5535% from non-delegated authority agencies and .3060% from delegated authority agencies.

DIVISION OF HUMAN  
RESOURCES  
NOVEMBER 5, 2009

